

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

KING COUNTY, et al.,

**Plaintiffs,**

VS.

SCOTT TURNER in his official capacity as  
Secretary of the U.S. Department of Housing and  
Urban Development, et al.,

## Defendants.

Case No. 2:25-cv-00814-BJR

## **DECLARATION OF KATHRYN STUDWELL**

I, Kathryn Studwell, declare as follows:

1. I am a resident of the State of California. I have personal knowledge of the facts set forth in this declaration and, if called as a witness, could and would testify competently to the matters set forth below.

2. I am currently the Acting Program Manager of the Grants Acquisition and Management Office at the San Francisco Municipal Transportation Agency (the “SFMTA” or “Muni”). Prior to this role, I was employed at the SFMTA as the Acting Manager of Funding Strategy and Programs section from 2020 to 2023, and before that I was a Senior Analyst working on Curb Management policy. I have worked for the SFMTA since 2014.

3. The SFMTA designs, builds, operates, regulates and maintains one of the most comprehensive transportation networks in the world. In addition to being a large transit system, the SFMTA manages on-and off-street public parking, facilitates bicycling and walking, regulates taxis, and manages paratransit services. The SFMTA operates five modes of public transit in San Francisco--motor coach, trolley coach, light rail, historic streetcar, and cable car--and together, they carry approximately 500,000 daily boardings, the largest daily ridership of any transit agency in the San Francisco Bay Area. In 2024, Muni provided 158 million passenger trips.

4. In my capacity as the Program Manager for the Grants Acquisition and Management Office, I manage and oversee all federal and state grant applications and grant compliance for the SFMTA. Since it was founded in 1999, the SFMTA has had a long history of working with the U.S.

1 Department of Transportation, primarily through its Federal Transit Administration (FTA) and Federal  
2 Highway Administration (FHWA) operating administrations, using federal grants to improve all  
3 aspects of San Francisco's transportation system, including public transit, streets, and parking. This  
4 collaboration drives economic growth, serves working families and vulnerable populations, and  
5 enhances the safety and security of our system. These federal grants are an integral part of the  
6 SFMTA's financial planning and budget, and provide critical funding for project implementation,  
7 helping the SFMTA to maximize travel options for the City and County of San Francisco residents it  
8 serves, while enhancing the SFMTA's capacity to maintain its assets in a state of good repair.

9       5. San Francisco's economy is still recovering from the impacts of the COVID-19  
10 pandemic, and this has taken a big toll on the SFMTA's funding sources. Every funding source – tax  
11 revenue, grants, parking fees and public transit fares – is still significantly below pre-pandemic levels  
12 or is growing slower than pre-pandemic. Meanwhile, our costs continue to grow, driven largely by  
13 historically high inflation and cost of living increases, and the SFMTA faces over \$300 million annual  
14 deficits beginning in July 2026, when state, regional, and federal pandemic relief funding runs out.

15       6. The SFMTA depends heavily on federal funds, including funding awarded by the  
16 Federal Transit Administration (FTA) and the Federal Highway Administration (FHWA). The  
17 SFMTA has received FTA funding and FHWA funding since its inception in 1999.

18       7. The SFMTA is the recipient of a total of \$1.28 billion in awarded and anticipated FTA  
19 funding through to October 2025. Of this amount, \$530 million has already been drawn down. The  
20 remaining balance of \$750 million consists of obligated grants, awarded but unobligated funds, and  
21 expected FTA funding. The SFMTA is also the recipient of \$87 million in awarded and anticipated  
22 FHWA grants, of which only \$4 million has been drawn down. In fiscal year 2024 alone, the SFMTA  
23 drew down \$316.8 million from the FTA and \$2.0 million from the FHWA.

24       8. FTA grant funding to the SFMTA is authorized by the following sections of Chapter 53  
25 of title 49 of the United States Code relating to public transportation: Section 5307 (urbanized area  
26 formula grants); Section 5337 (state of good repair grants); Section 5339 (bus and bus facilities  
27 grants); Section 5309 (capital investment grants); and Section 5310 (mobility management grants).

1 These programs provide a mix of formula and discretionary grants to transit agencies every fiscal year.

2 The SFMTA also receives discretionary grants from other FTA programs.

3       9.     FTA administers its grant program through a web-based grant management tool called  
4 the Transit Awards Management System (“TrAMS”). *See* <https://www.transit.dot.gov/funding/grantee-resources/teamtrams/transit-award-management-system-trams>. It allows recipients to apply for  
5 federal funds, manage their programs, and enable the FTA to review, approve, control, and oversee  
6 how funds are used. FHWA grants that are transferred to the FTA for administration are also  
7 processed through the TrAMS system.

8       10.   The SFMTA submits grant applications electronically through TrAMS. The SFMTA  
9 submits a steady flow of applications through TrAMS for processing. Currently, for example, the  
10 SFMTA has twenty-four applications at various stages of review in TrAMS. The applications are  
11 reviewed by the FTA, and, when required, by the Metropolitan Transportation Commission, the  
12 metropolitan planning organization for the San Francisco Bay Area. *See* <https://mtc.ca.gov/>, 49 U.S.C.  
13 § 5303. Once the grant approvers have completed their reviews, TrAMS notifies the SFMTA that the  
14 grant agreement is available for execution. FTA grant agreements must be signed within 90 days.

15       11.   The SFMTA’s two largest sources of FTA funding are funds provided through the  
16 Section 5337 State of Good Repair Grants and the Section 5307 Urbanized Area Formula Grants. For  
17 FY 2026, the SFMTA expects to receive \$201.6 million in Section 5337 grants and \$62.1 million in  
18 Section 5307 grants. In the normal course of grants processing, the SFMTA would be submitting  
19 formal applications for those amounts through TrAMS over the summer with the expectation of the  
20 FTA making them available in September or October.

21       12.   The possibility of being unable to execute these large FTA grants this fall is creating  
22 fiscal uncertainty, which is impacting the SFMTA’s present ability to plan and execute critical transit-  
23 related projects on a timely basis across the agency.

24       13.   For example, \$94.8 million of the Section 5337 formula funding has been assigned to  
25 support Light Rail Vehicle (“LRV”) Replacement Procurements. That money is being used to  
26 complete a long-term contract to purchase new LRVs for the Muni light rail system under which the  
27 first vehicles were delivered in 2017. The overall contract covers the purchase of 219 cars, and the  
28

1 anticipated \$94.8 million is to be used to pay for the final year's cars under the contract. The  
2 remaining vehicles under the contract are replacing legacy vehicles that are at the end of their useful  
3 life.

4       14. If this funding does not arrive by September, the SFMTA will be required to divert  
5 funds from a budget that already faces a potential \$300 million deficit and away from necessary work  
6 to serve our passengers. Under the contract to acquire the vehicles, the SFMTA is obligated to  
7 purchase all remaining vehicles, and a termination of the contract at this point in the production and  
8 delivery cycle would likely cost more than the final amount required to complete the contract. Budget  
9 reallocations would delay all other transit projects, and may require further cuts in bus, rail, and  
10 paratransit services.

11       15. Another procurement need is for new buses. Failing to receive the planned Section  
12 5307 formula funding by October would cause cascading harms eventually leading to cuts to future  
13 Muni bus service. \$33.8 million of the Section 5307 funds is allocated to support the purchase of the  
14 final 54 diesel-electric hybrid buses on a contract to purchase 94 buses to replace current buses that are  
15 reaching the end of their useful lives. The SFMTA is able to complete this purchase because it was  
16 able to use credits from the California Air Resources Board (CARB) based on the SFMTA's use of  
17 electric trolley buses, to replace our buses with diesel-electric hybrid buses, rather than zero-emission  
18 buses, the infrastructure for which is currently inadequate. Those credits have expired, so the SFMTA  
19 must complete the procurement of these 54 buses by the fall of 2025. Otherwise, the SFMTA will have  
20 to obtain a waiver from CARB to buy the needed diesel-electric hybrids under another contract, and  
21 the price for the buses would be much higher.

22       16. Failing to replace 54 of its aging buses after they reach the end of their useful lives, will  
23 have a severe impact on future Muni bus services. Maintenance costs would rise significantly, and  
24 availability will decline. Eventually safety will become an issue. Higher cost operations and fewer  
25 available buses will require the SFMTA to reduce the level of service provided to the residents of the  
26 City during the lengthy transition to zero-emission buses.

27       17. In addition to procurement, preventive maintenance on existing vehicles is a key part of  
28 the SFMTA's responsibilities. The SFMTA is relying on \$58.7 million in combined Section 5337 and

1 Section 5307 emergency funding to pay preventive maintenance costs to keep the budget gap from  
2 growing even larger. It is expected that temporary FTA support for these types of operational expenses  
3 will be expiring at the end of this fiscal year.

4       18. If the SFMTA cannot access the expected \$58.7 million to cover maintenance costs in  
5 fiscal year 2026, it will be required to immediately make corresponding cuts to other parts of its  
6 budget to cover its necessary maintenance costs for the year. To reduce the harms caused by budget  
7 cuts in other areas, the SFMTA also would have to reduce its maintenance budget from currently  
8 planned levels, which would reduce the availability and expected life of its vehicles.

9       19. In addition, expected Section 5337 and Section 5307 formula funds totaling \$76.4  
10 million have been designated to support other projects as well, ranging from rehabilitating train control  
11 and signal systems to tunnel repairs and rail replacement to ADA paratransit assistance.

12       20. In addition to the large, wide ranging impacts that would be caused by losing access to  
13 the formula funding that is anticipated to be received in the fall, the SFMTA also faces more  
14 immediate harm from being unable to sign multiple grant agreements that are currently available for  
15 signature in TrAMS, as well as others expected to become available for signature in the short term.

16       21. Specifically, the FTA has presented the SFMTA with five grant agreements on the  
17 following dates totaling \$20.0 million for signature since FTA changed the Master Agreement: (1) an  
18 April 8, 2025 grant amendment for FY 2022 Section 5337 formula funding; (2) an April 16, 2025,  
19 grant amendment to extend the time to complete Transit Performance Initiative; (3) a May 2, 2025,  
20 grant agreement for Enhanced Mobility of Seniors & Individuals with Disabilities; (4) a May 5, 2025,  
21 grant agreement for the 29 Sunset Improvement Project; and (5) a May 5, 2025, Battery Electric Bus  
22 Facilities Project.

23       22. The SFMTA signed the April 8, 2025 grant amendment before receiving DOT  
24 Secretary Sean Duffy's letter dated April 24, 2025 and before the FTA added immigration  
25 enforcement conditions to the Master Agreement. After subsequently receiving the Duffy Letter and  
26 learning of the changes to the Master Agreement, the SFMTA has withheld signature on all grant  
27 agreements made available for execution on TrAMS.

1       23. The 90-day period allowed for signing each of the grant agreements will be expiring  
2 shortly. The deadlines for the SFMTA's signatures are July 15, July 31, and August 4, 2025.

3       24. Additional grant agreements will continue to become available for signature beyond  
4 these deadlines, triggering additional planning and budgeting costs. The SFMTA currently has eleven  
5 other grant applications in TrAMS that are at the final stages before the FTA completes its review  
6 process, which have a total value of \$70.9 million.

7       25. The uncertainty around formula funds in many instances is unraveling extensive  
8 planning, coordination, and implementation work that the SFMTA has undertaken. Formula funding  
9 maintains a complex network of activities in which most grants support multiple projects and most  
10 projects are supported by multiple grants. Identifying the slate of projects for FTA formula funding  
11 support was therefore requires multi-year planning process involving the SFMTA, the Metropolitan  
12 Transportation Commission, the FTA's local region, and FTA headquarters. If the funds become  
13 unavailable, or even if they are delayed, the SFMTA will lose the unrecoverable costs and expected  
14 benefits of the complex, interrelated planning process that involves all transit agencies in the nine-  
15 county Bay Area. It will also be forced to expend even greater planning and administrative costs in  
16 support of re-allocation of future funding.

17       26. For example, the \$6.3 million grant amendment to FY 2022 Section 5337 formula  
18 funding alone provides funding for eight separate projects, covering a wide range of SFMTA repair  
19 and upgrade requirements, including a power upgrade, two track switch replacements, overhead wires  
20 for the trolleybuses, the historic cable car propulsion system, and the trackway for the Sunset Tunnel,  
21 and renewal and reliability of the Muni subway. Each of these projects relies on multiple funding  
22 sources and require coordination throughout the system to implement.

23       27. The 29 Sunset Improvement Project grant agreement, which the SFMTA has to sign by  
24 August 4, 2025, is another example of a critical transit project, the delay to which will have significant  
25 impact on San Francisco residents. The grant contributes \$6.0 million in funding to increase the speed  
26 and reliability of Muni bus line 29, which after the pandemic has seen a surge in ridership, through  
27 stop consolidation, stop optimization, and other structural changes. The ridership surge was driven in  
28 significant part by students returning to in-person school attendance, because the route reaches San

1 Francisco State, City College, and many of the major high schools in the City. Improvements on the  
2 29 Sunset are vital. Before the project, newspapers reported complaints of overcrowded buses at the  
3 beginning of the school day, with some riders having to wait for multiple full buses to pass before they  
4 could board, thus missing school time.

5       28.     A delay in the availability of the 29 Sunset Improvement grant funds will not only  
6 impact Muni ridership in the long run, but will also have cascading impacts on other planning related  
7 to the affected neighborhoods. In the instance of the 29 Sunset, losing grant funds will result in the  
8 loss of transit improvements intended to mitigate the impact of shifting automobile routes caused the  
9 the closure of the Great Highway along the Pacific Ocean and its conversion into a park. The City has  
10 already expended significant planning resources across City agencies. Losing this grant will create  
11 even more costs to the City as the impacts proliferate.

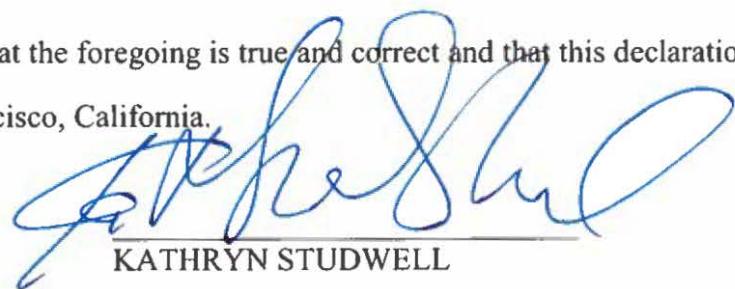
12       29.     As evidenced by the 29 Sunset Improvement Project, the unavailability of individual  
13 grants will harm the SFMTA where costs have already been incurred on ongoing projects, and create  
14 additional budgetary impacts and planning costs to complete these projects.

15       30.     The SFMTA also receives funding from the FHWA. The FHWA has awarded two  
16 discretionary, competitive grants to the SFMTA that have not yet been obligated: the Howard  
17 Streetscape grant under the Rebuilding American Infrastructure with Sustainability and Equity  
18 (“RAISE”) initiative, and the Tenderloin Safe Streets for All grant under the Safe Streets and Roads  
19 for All (“SS4A”) program.

20       31.     The Howard Streetscape grant was awarded in August 2022. It provides \$23.0 million  
21 to the SFMTA for safety upgrades along Howard Street to improve safety on a high-injury corridor.  
22 The funding will transform a three-lane westbound heavily traveled arterial to a proposed two-lane  
23 street with bike infrastructure improvements, including a protected two-way bikeway, protected  
24 intersections, and pedestrian infrastructure improvements such as raised crosswalks at alleyways, curb  
25 ramps, and pedestrian-level lighting. If the SFMTA is unable to sign the grant agreement when the  
26 \$23.0 million becomes available to construct the project, all of the costs of the design effort will be  
27 lost, and important safety improvements will be delayed.

1       32. The Tenderloin Safe Streets for All grant for \$8.0 million was awarded in December  
2 2023. The funding will be used to pay for traffic signal modification and left-turn phasing on Larkin  
3 Street, the creation of a Golden Gate Greenway, and the establishment of bikeway protected corners.  
4 With every single street in the Tenderloin on the city's High Injury Network -- the 13 percent of San  
5 Francisco streets that account for 75 percent of severe traffic injury collision and fatalities -- this  
6 neighborhood is a focus of the SFMTA's efforts to make the city safer for everyone. If the SFMTA is  
7 unable to sign the grant agreement, much of the cost of the previous design effort will be lost, and the  
8 important safety improvements will be delayed.

9  
10      I declare under penalty of perjury that the foregoing is true and correct and that this declaration  
11 was executed on May 20, 2025 at San Francisco, California.



KATHRYN STUDWELL

## CERTIFICATE OF SERVICE

I hereby certify that on May 21, 2025, I served a true and correct copy of the foregoing document on the following parties by the method(s) indicated below:

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<i>Attorneys for Defendants Scott Turner, U.S. Dept. of Housing and Urban Development, Sean Duffy, U.S. Dept. of Transportation, Tariq Bokhari, the Federal Transit Administration, Gloria M. Shepherd, the Federal Highway Administration, Chris Rocheleau, the Federal Aviation Administration, Drew Feeley, the Federal Railroad Administration</i>	

I declare under penalty of perjury under the laws of the United States and the State of Washington that the foregoing is true and correct.

DATED this 21<sup>st</sup> day of May, 2025.

/s/ Gabriela DeGregorio  
Gabriela DeGregorio  
Litigation Assistant  
Pacifica Law Group LLP

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